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STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF MENTAL RETARDATION SERVICES  
ANDREW JACKSON BUILDING, 15TH FLOOR  
500 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243

June 1, 2007

**MEMORANDUM**

TO: All Provider Agencies

FROM: Stephen H. Norris  
Deputy Commissioner

SUBJECT: Monthly Reimbursement Changes

Over the last number of years, many DMRS services intended to be Waiver have not been reimbursed by TennCare. This resulted in the utilization of state rather than federal dollars for those billings that were denied. To address this issue, Governor Bredesen and Commissioner Goetz have determined that Waiver claims submitted to DMRS will be processed by TennCare before the DMRS can make payment to providers. Because the Division has reimbursed agencies prior to requesting payment from TennCare, to date there has been little provider impact.

Beginning in August 2007, Waiver claims must successfully make it through the TennCare system edits before reimbursement will be made to providers. This will apply to July 2007 Waiver claims and any other claims submitted to DMRS for reimbursement to be reimbursed at that time regardless of service period. If a late billing for May is processed in August, it will have to go through TennCare edits before payment can be made. Potential results of this could be:

- Reimbursements could be received up to 10 days later to allow for TennCare processing.
- Payments will be reduced by claims that do not make it through the TennCare edits.

## MEMORANDUM

Page 2

June 1, 2007

To counteract these we plan to:

- Open PCP (the web billing application Provider Claims Processing) earlier in the month to alleviate some of the payment date delays. This will shorten time frames at regional office and require agencies to accumulate information in a shorter time frame.
- Make changes to what was the interim payment process to open to more agencies and expand the types of services.

State services will continue to be made after passing only DMRS edits.

### PCP date changes

PCP will open no earlier than the 4<sup>th</sup> of the month. Every effort will be made to keep it open a minimum of 5 working days. The target date for payment will be by the 10<sup>th</sup> of the following month.

### Changes in Interim Payments

Interim payments will no longer be made in the same manner as they have in the past. A Delegated Loan Authority will be utilized. **There will be no automatic advance to any agency.** The loan will not be limited to Day, Residential or ISC providers. Any agency providing DMRS reimbursed direct services may apply. This will open the opportunity for providers of PA, Nursing, most Therapies and Behavior services to apply. The maximum request will be limited to 45 days of approved and documented reimbursement. Average direct service payments and current authorizations will be considered in determining the maximum approval for individual agencies.

Each agency requesting the loan must provide documentation of a Surety bond, covering at minimum, 100% of the request. Additional details on this will be made available as the process is finalized.

### Denied Claims

If a claim fails to pass TennCare edits, the Denied Claims Unit will review, correct if possible and resubmit to TennCare. If after 60 days, the billing has not passed and it is not the providers fault, we will make payment out of State funds.

In order to answer questions about the change, non-payments and other new issues, a 1-800 number will be set up.

The next few months will be a challenge to all of us. Efforts have been made and will continue to be made to soften the impact of these changes. As new procedures are finalized there will be additional communication. I ask for your cooperation and understanding as we move forward.

SHN/lb